

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 471
ANSWERED ON 25TH JULY, 2024

CHALLENGES BEFORE FPI

**471. SHRI ARVIND GANPAT SAWANT:
SHRI OMPRAKASH BHUPALSINH ALIAS PAVAN RAJENIMBALKAR:
SHRI SHRIRANG APPA CHANDU BARNE:**

Will the Minister of *FOOD PROCESSING INDUSTRIES* be pleased to state:-

- (a) whether the Food Processing Industries (FPIs) are facing challenges which hinder them to enter the market and compete with larger, more established companies and if so, the details thereof;
- (b) whether the industry is plagued by inefficient supply chains, inadequate storage and transport facilities and a lack of access to credit and financing;
- (c) if so, whether the desired results have not been achieved by the measures taken by the Government to address these issues so far and if so, the reasons therefor; and
- (d) the corrective steps taken or proposed to be taken by the Government to address these issues?

ANSWER

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES
(SHRI RAVNEET SINGH)

(a) It is observed that the Food Processing Industries have emerged as an important part of the Indian economy in terms of its contribution to Gross Domestic Product (GDP), employment, exports etc. During the last eight years ending 2022-23, Food Processing sector has been growing at an Average Annual Growth Rate (AAGR) of around 5.35%. Gross Value Added (GVA) in Food Processing sector has also increased from 1.61 lakh crore in 2015-16 to 1.92 lakh crore in 2022-23 (as per First Revised Estimates of Ministry of Statistics and Programme Implementation). The employment in Food Processing Industries has increased from 17.73 lakh in 2014-15 to 20.68 lakh in 2021-22 as per the latest Annual Survey of Industries (ASI) report. Moreover, the percentage share of processed food export in agri-food export has gone up to 23.4% in 2023-24 from 13.7% in 2014-15.

(b) to (d) In order to ensure the overall development of Food Processing Sector and to help it to overcome various challenges, Ministry of Food Processing Industries (MoFPI) is implementing Central Sector Umbrella Scheme viz Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) and Centrally Sponsored Scheme PM Formalization of Micro food processing Enterprises (PMFME).

MoFPI through implementation of PMKSY across the country helps in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet for promotion, overall development and growth of Food Processing Industries, through creation of employment opportunities, reducing wastage of agricultural produce, increasing the processing level and enhancing export of the processed foods. MoFPI provides financial assistance as capital subsidy in the form of grants-in-aid (GIA) under various component schemes of PMKSY for setting up of new food processing industries/units/projects and also expanding the existing ones. As on 30th June, 2024, Ministry has approved 41 Mega Food Parks, 399 Cold Chain projects, 76 Agro-processing Clusters, 588 Food Processing Units, 61 Creation of Backward & Forward Linkages Projects & 52 Operation Green projects under corresponding component schemes of PMKSY.

MoFPI also provides financial, technical and business support for setting up/ upgradation of micro food processing enterprises under PMFME scheme. The scheme is operational for a period of five years from 2020-21 to 2024-25 with total outlay of Rs 10,000 Crore. A total of 92,549 micro food processing enterprises have been approved for assistance under PMFME as on 30th June, 2024.

PLISFPI is, inter alia, intended to support creation of global food manufacturing champions, branding and marketing abroad and support Indian brands of food products in international market. The Scheme is being implemented over a six-year period from 2021-22 to 2026-27 with an outlay of Rs. 10,900 crore and a total of 172 food processing companies have been approved for assistance under various categories of the scheme as on 30th June, 2024.
